

PENSIONS COMMITTEE

8 OCTOBER 2021

GOOD GOVERNANCE UPDATE

Recommendations

1. **The Chief Financial Officer recommends that the update on the LGPS Scheme Advisory Board's (SAB's) Good Governance project and the Worcestershire Pension Fund Position Statement: Good Governance 31 08 2021 attached as an Appendix be noted.**

Background

2. As detailed in our [rolling Business Plans](#), 3 of the 14 aspirations that underpin the 5 key result areas that we have identified to help us to achieve our goals relate to the good governance of the Fund:
 - To ensure the ***effective management and governance*** in a way that strives for continuous improvement through improved value for money, the promotion of excellent customer service and compliance with all regulatory / best practice requirements.
 - To ***recruit, train, nurture and retain highly motivated staff with the necessary professional, managerial and customer focus skills*** to deliver on the ever-increasing complexities of the LGPS.
 - To ***continually review the effectiveness of our committees and advisers*** and our decision-making.

SAB's Good Governance project

3. SAB's [Good Governance project](#) was established in June 2018 to examine the effectiveness of current LGPS governance models and to consider alternatives or enhancements to existing models which can strengthen LGPS governance.
4. Following a procurement exercise, SAB appointed Hymans Robertson in January 2019 to do the work culminating in producing the 17 detailed proposals contained in the Appendix to its November 2019 (Phase II) [report](#) and in relation to each of which the Appendix to this update details the Fund's current position and the actions identified.
5. On 8 February 2021 SAB agreed that the [Good Governance – Final \(Phase 3\) Report](#) should be published and that the Chair should submit the [Action Plan](#) to the Local Government Minister for consideration.
6. The Final (Phase 3) Report adds detail (including example organisational structures, governance KPIs and a governance compliance statement) about how to comply with

the 17 detailed proposals agreed in 2019 by incorporating further input from a range of scheme stakeholders.

7. The Action Plan consists of formal requests from SAB to MHCLG and other bodies to implement the recommendations from the project together with actions for the SAB which are either dependent on or regardless of the outcome of those requests.

8. Whilst we (and SAB) are waiting to see how MHCLG responds, **the Appendix to this update has been prepared to not only take account of what we have been doing in response to the Phase II report (our current position) but also TPR's publication of [an interim response to its recent consultation on its new single code of practice](#) adding responsibilities / timelines for the actions identified in our May 2021 position statement and the extra actions that we have identified will likely be needed to demonstrate good governance after analysing the extra detail contained in the Phase 3 Report.**

Contact Points

Specific Contact Points for this report

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Supporting Information

- Appendix – Worcestershire Pension Fund Position Statement: Good Governance 31 08 2021

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer), there are no background papers relating to the subject matter of this report.